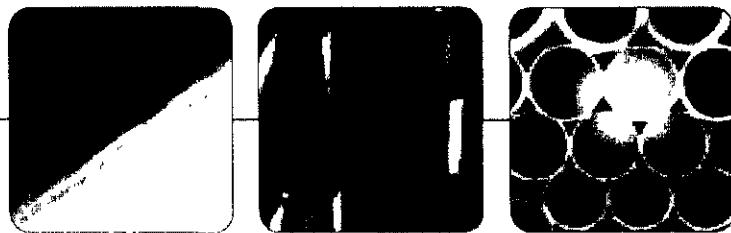


**EXHIBIT 11 – PART 1 OF 8**

# Kaiser Aluminum



2 0 0 0 A N N U A L R E P O R T

Kaiser Aluminum Corporation, (NYSE:KLU), operating through its subsidiary Kaiser Aluminum & Chemical Corporation, is a leading producer of alumina, primary aluminum, and fabricated aluminum products.

The company has 20 major manufacturing facilities located in North America, Australia, Jamaica, Ghana, and Wales. In 2000, it had approximately 7,800 employees. At year-end 2000, MAXXAM Inc. (AMEX:MXM) directly and indirectly owned about 6.3% of the common stock of Kaiser Aluminum Corporation.

## KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES

## FINANCIAL HIGHLIGHTS

(in millions of dollars, except per share and per pound amounts)

	Year Ended December 31,		
	2000	1999	1998
Net sales	\$ 2,169.8	\$ 2,083.6	\$ 2,302.4
Labor settlement charge	\$ (38.5)	\$ -	\$ -
Other non-recurring operating items, net	\$ 80.4	\$ (24.1)	\$ (105.0)
Operating income (loss)	\$ 139.3	\$ (28.9)	\$ 90.6
Gain on involuntary conversion at Gramercy	-	\$ 85.0	-
Net income (loss)	\$ 16.8	\$ (54.1)	\$ .6
Basic earnings (loss) per share	\$ .21	\$ (.68)	\$ .01
Customer shipments (000 metric tons*):			
Alumina	1,927.1	2093.9	2,250.0
Primary aluminum	345.5	295.6	263.2
Flat-Rolled Products	162.3	217.9	235.6
Engineered Products	164.6	171.1	169.4
Primary aluminum average realized sales price, per pound	\$ .74	\$ .66	\$ .67

\*All references to tonnes in this annual report refer to metric tonnes of 2,204.6 pounds

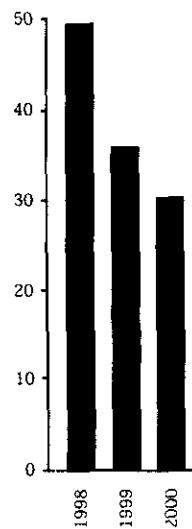
This annual report to stockholders contains forward-looking statements that are subject to risks and uncertainties which could cause actual results to differ materially. The financial information contained in this document (commencing on page 13) and the company's Annual Report on Form 10-K describe various factors which could cause actual results to vary from such forward-looking statements.

**TO OUR STOCKHOLDERS**

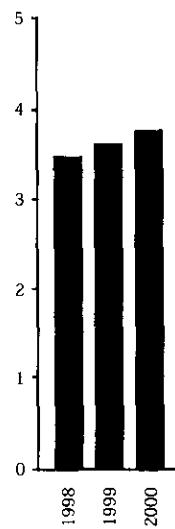
Despite the many challenges of 2000, Kaiser Aluminum resolved a number of issues, drove performance improvement, and established a much more solid base from which to work as we look to the future.

First, a quick recap of our financial results. Earnings improved in 2000 due to the favorable net impact of power sales combined with sound operating performance. In alumina, we enjoyed a 19% increase in average realized prices along with record-breaking performance at 28.3%-owned

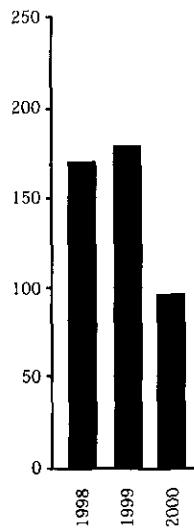
QAL and solid performance at 65%-owned Alpart. In primary aluminum, we experienced a 12% increase in average realized prices, record-breaking performance at our Mead, Washington, smelter prior to its curtailment, and improving performance at the 90%-owned Valco smelter. The significant performance improvement enjoyed in our fabricating business was offset by a slowing ground transportation market. All of our business units experienced higher energy costs during the year.



Lean Manufacturing Continued to Reduce Inventories in Engineered Products  
(average days inventory on hand)



Alumina Production at QAL Set a New Record  
(in millions of metric tonnes)



The Flat-Rolled Products Business Generated Cash through Inventory Reduction  
(year-end inventory in millions of dollars)



One of the largest and lowest-cost alumina refineries in the world, the 28.3%-owned QAL facility reported record production in 2000.

Improved powerhouse reliability at the 65% owned Alpart refinery has better positioned this facility for potential expansion to 2.0 million metric tonnes of annual rated capacity.